

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation

Financial Management and Accountability Act 1997

Determination 2008/01 to abolish 10 Special Accounts

Purposes of Determination 2008/01

The attached instrument makes a Determination under section 20 of the *Financial Management and Accountability Act 1997* (FMA Act) to abolish 10 Special Accounts. The attached instrument varies the Determination entitled *Initial Determination to Establish Components of the Reserve Money Fund* made by the sub-delegate of the Minister for Finance and Administration under section 20 of the *Financial Management and Accountability Act 1997* on 31 December 1997.

The attached instrument abolishes the *Other Trust Moneys Special Account* and the *Services for other Governments and Non-Agency Bodies Special Account* for each of the Classification Board (CB), Classification Review Board (CRB), Office of Film and Literature Classification (OFLC), Australia-Japan Foundation (A-JF) and Australian Security Intelligence Organisation (ASIO).

Special Accounts generally

In accordance with the Constitution, all revenues or moneys raised or received by the Government of the Commonwealth form one Consolidated Revenue Fund (CRF) and may not be spent unless under an appropriation by the Parliament for the purposes of the Commonwealth. A Special Account is established by a Determination that sets out the amounts that may be credited and the purposes for which it may be debited. Special Accounts established by Determination are supported by an appropriation under section 20 of the FMA Act. In effect, Special Accounts allow amounts from the CRF to be spent on a purpose specified in the Determination.

Determinations that establish Special Accounts, or vary Determinations that establish Special Accounts, are subject to section 22 of the FMA Act. Section 22 of the FMA Act requires the Finance Minister to table a copy of the establishing or varying Determination in each House of the Parliament. Either House may disallow a Determination within five sitting days of tabling. If the Determination is not disallowed, it comes into effect on the calendar day after the last day on which it could have been disallowed.

Regulation 10 of the *Legislative Instruments Regulations 2004* preserves the disallowance provisions under section 22 of the FMA Act by exempting Special Account Determinations from subsections 57(2) and 57(5) of the *Legislative Instruments Act 2003*.

Special Accounts can be abolished by a Determination of the Finance Minister. However, there is no requirement to table such a Determination.

Operation of the Determination 2008/01

Reasons for abolishing the Special Accounts

The Other Trust Moneys (OTM) Special Accounts enabled the abovementioned agencies to temporarily hold moneys on trust or otherwise for the benefit of persons other than the Commonwealth. The Services for other Governments and Non-Agency Bodies (SOG) Special Accounts enabled the abovementioned agencies to hold

moneys in connection with services that were performed on behalf of other Governments and bodies that are not FMA Act agencies.

The Special Accounts are being abolished because:

- the CB, CRB and OFLC no longer exist as separate entities and these functions have been incorporated into the Attorney-General's Department (AGD);
- the A-JF no longer exists as a separate entity and its functions have been incorporated into the Department of Foreign Affairs and Trade (DFAT);
- both the AGD and DFAT manage equivalent OTM and SOG Special Accounts and therefore the relevant eight Special Accounts are redundant; and
- ASIO has advised that it no longer requires its OTM and SOG Special Accounts, as there is no intention to use these Special Accounts in the future nor have they been used in previous financial years.

Accordingly, this Determination abolishes the 10 Special Accounts listed in Schedule 1.

Effect of this determination

The 10 Special Accounts are abolished by this Determination (Determination 2008/01).

Consultation

The AGD, DFAT and ASIO are the agencies affected by this instrument. The agencies were provided with drafts of the instrument and agree with the form of the instrument. As the instrument is for internal machinery of government purposes only, no consultation was considered necessary with other persons (see sections 17 and 18 of the *Legislative Instruments Act 2003*).

Estimates of transactions on the Special Accounts

	Opening Balance 2007-08 \$'000	Credits 2007-08 \$'000	Debits 2007-08 \$'000	Closing Balance 2007-08 \$'000
Australia-Japan Foundation				
<i>Other Trust Moneys Account</i>	0	0	0	0
<i>Services for other Governments and Non-Agency Bodies Account</i>	0	0	0	0
Australian Security Intelligence Organisation				
<i>Other Trust Moneys Account</i>	0	0	0	0
<i>Services for other Governments and Non-Agency Bodies Account</i>	0	0	0	0
Classification Board				
<i>Other Trust Moneys Account</i>	0	0	0	0
<i>Services for other Governments and Non-Agency Bodies Account</i>	0	0	0	0
Classification Review Board				
<i>Other Trust Moneys Account</i>	0	0	0	0
<i>Services for other Governments and Non-Agency Bodies Account</i>	0	0	0	0
Office of Film and Literature Classification				
<i>Other Trust Moneys Account</i>	0	0	0	0
<i>Services for other Governments and Non-Agency Bodies Account</i>	0	0	0	0